



April 10, 2012

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

RE: Correction to Kennebec Telephone Company's Erroneous Regression Analysis Data Inputs; *Connect America Fund*, WC Docket No. 10-90, *A National Broadband Plan for Our Future*, GN Docket No. 09-51, *Establishing Just and Reasonable Rates for Local Exchange Carriers*, WC Docket No. 07-135, *High-Cost Universal Service Support*, WC Docket No. 05-337, *Developing an Unified Intercarrier Compensation Regime*, CC Docket No. 01-92, *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, *Lifeline and Linkup*, WC Docket No. 03-109, *Universal Service Reform – Mobility Fund*, WT Docket No. 10-208

Dear Ms. Dortch:

Kennebec Telephone Company, Inc. ("Kennebec") respectfully submits this letter to request that the Commission correct erroneous data inputs assigned to Kennebec by the Commission in the course of conducting regression analysis calculations. The underlying data inputs assigned to Kennebec contained significant errors. These errors resulted in Kennebec being improperly subjected to capital and operating expense caps under 47 C.F.R. § 54.302. The caps, as applied to Kennebec, would result in significant, immediate and irreparable financial harm to the company's operation.

Kennebec has provided several forms of notification to the Commission of the flawed data and the significant financial harm that would result to the company if the data were not corrected:

- Kennebec participated in the February 17, 2012 reply comment filing of the South Dakota Telecommunications Association. In that filing, SDTA informed the Commission that due to geographical mapping data errors the Commission's input file reported 305.633 square miles as the land area served by Kennebec Telephone. The actual size of Kennebec Telephone's service area is 742 square miles. The housing units for Kennebec as identified or listed by the FCC's data deviated significantly from the actual number. The Commission's input file contains 528 housing units while the actual number of housing units reported by Kennebec is 623.¹
- On March 2, 2012, Kennebec sent a letter (attached) to the Commission reiterating its concern that incorrect data was being relied upon for purposes of determining future high cost funding distributions. Further, Kennebec requested information about the process the Commission had in place to allow affected companies the opportunity to correct the data inputs used in the regression analysis. No response has been received as of the date of this letter.
- On March 19, 2012, Kennebec participated in a meeting (Ex Parte Notice attached) with Commission WCB staff. Kennebec again expressed concern that given the magnitude of the errors in the input data, Kennebec was most likely placed in an incorrect group of "similarly situated" peer companies. Kennebec attempted to illustrate to the Commission how incorrect placement could lead to devastating financial impacts to the company.
- In a later meeting on March 30, 2012, the Commission informed the National Telecommunications Cooperative Association that companies needing data corrections should meet with the Commission to get the erroneous information corrected.

¹ See, Reply Comments of SDTA, *In the Matter of Connect America Fund*, WC Docket No. 10-90, *et. al.* Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161, (Rel. Nov. 18, 2011) at p. 23.

Since Kennebec has previously met with the Commission on March 19, 2012 and brought the underlying data errors to light, Kennebec requests that the Commission correct Kennebec's data inputs in accordance with the information attached to this letter, certifying the correct total land area and housing units and recalculate the support amounts with the amended information. Attached herein, Kennebec provides considerable documentation certifying the total square miles and housing unit data the Commission should utilize.

With the July 1, 2012 implementation date nearing, Kennebec has an immediate need to ascertain whether, and/or how, the company will be impacted under the implementation of the regression analysis framework. Kennebec plans to take further action to resolve the data errors if the corrections are not confirmed by April 30, 2012.

Respectfully submitted,



Rod Bowar
President/General Manager
Kennebec Telephone Company

Attachment(s)

cc: Carol Matthey
Sharon Gillett
Michael Steffen
Angela Kronenberg
Christine Kurth